

SECRETARY’S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	Application No. NUSF-139
Service Commission, on its own Motion,)	Progression Order No. 7
to consider appropriate modifications to)	
the high-cost distribution and reporting)	
mechanisms in its Universal Service)	ORDER SEEKING COMMENT AND
Fund program in light of federal and)	SETTING WORKSHOP
state infrastructure grants.)	
)	
)	Entered: June 20, 2025

BY THE HEARING OFFICER:

Background

The Nebraska Public Service Commission (“Commission”) initiated this proceeding, on its own motion, on August 29, 2023 (“August 29th Order”), to consider appropriate modifications to the Nebraska Universal Service Fund (“NUSF”) high-cost distribution mechanism and associated reporting requirements.¹ The Commission’s August 29th Order identified certain issues as those which needed to be determined for the distribution for high-cost support in the 2024 calendar year.

On March 5, 2025, the Commission held a workshop to discuss a number of additional issues. Those issues were outlined in its February 4, 2025 Order, and in the Commission’s workshop agenda released on February 28, 2025. On April 8, 2025, the Commission released an order seeking comment and scheduling a hearing. Prior to comments being filed, the Commission paused the procedural schedule to provide an opportunity to hold an additional workshop and a technical conference with CostQuest representatives. The Commission held a workshop on May 14, 2025, and a technical conference with CostQuest representatives on June 17, 2025.

In the present Order, pursuant to the discussion at the technical conference, I find it appropriate to re-set the comment deadline and partially modify the list of issues for comment below. Interested parties may file any additional comments in response to all of the issues set forth in the Commission’s April 8, 2025 Order to the

¹ *In the Matter of the Nebraska Public Service Commission, on its own Motion, to consider appropriate modifications to the high-cost distribution and reporting mechanisms in its Universal Service Fund program in light of federal and state infrastructure grants, Application No. NUSF-139, ORDER OPENING DOCKET SEEKING COMMENT AND SETTING HEARING (August 29, 2023)*(“August 29th Order”).

extent they wish to do so. However in the coming months, the Commission will focus its attention on two main issues, including the framework for transitioning of or porting of NUSF support to competitive eligible telecommunications carriers, and the scope of work for the cost model updates for 2026. Comments on these issues are due on or before July 1, 2025.

Issues for Comment

A. Framework for transitioning support and obligations to Competitive Carriers

The Commission seeks comment on the framework outlined below for transitioning NUSF high-cost support to competitive eligible telecommunications carriers.

1. Competitive carriers may file an application with the Commission seeking NUSF support which would include taking on carrier of last resort obligations.²
2. Applications seeking NUSF support could be filed on a rolling basis throughout the year.
3. The Application would be processed consistent with the Commission's Rules of Procedure.
4. The minimum required elements to be included in Applications seeking NUSF high-cost support would consist of the following:
 - a. A description of the carrier's organizational structure, including a certificate of good standing from the Nebraska Secretary of State.
 - b. A demonstration that the carrier is a Nebraska eligible telecommunications carrier ("NETC") or commitment to become a NETC prior to a COLR transition taking place and becoming authorized for ongoing NUSF support.
 - c. An election to take on COLR obligations in the described service territory with a specific description of the described service territory.³

² This may be separate from an application filed by an incumbent carrier seeking to be relieved of carrier of last resort obligations. Such an application could be separately filed and considered under the Rural Communications Sustainability Act where a grant was awarded and a project has been completed. However, the Commission could approve a transition of carrier of last resort obligations from one carrier to another if such a request is also filed. The Commission will continue its policy of providing NUSF support to only one wireline provider in a given area.

³ This election could include a statement as to whether the incumbent carrier voluntarily wishes to be relieved of carrier of last resort obligations in the described service territory.

- d. A commitment to offering service to every location within the designated service area.⁴
 - e. A demonstration that the competitive carrier provides voice and broadband service with minimum service speeds of 100/20 Mbps to locations in the designated service area, including but not limited to reporting the locations as serviceable through the FCC Broadband Data Collection process.
 - f. A commitment to the provision of NUSF supported services including but not limited to 911 and Telecommunications Relay services.
 - g. A commitment to offering affordable and reasonably comparable services at a rate which is at or below the benchmark rate established by the Commission.
 - h. A commitment to filing the NUSF EARN Form, or any replacement filing, on an annual basis.
 - i. A commitment to filing the Commission-prescribed NETC certification reports on an annual basis.
 - j. A commitment to provide interconnection with any requesting carrier on a reasonable and nondiscriminatory basis.
 - k. A commitment to filing speed test data and meeting speed testing metrics consisting with the Commission's Orders in Docket No. NUSF-133.
 - l. A commitment that the NUSF support received will be used in a manner which is consistent with the requirements of the NUSF Act (Neb. Rev. Stat. §§ 86-316 through 86-329), the Commission rules and regulations, and Commission orders relevant to the use of NUSF high-cost support.
 - m. An affidavit affirming that Applicant is not using or deploying any communications equipment or service deemed to pose a threat to national security which is identified on the Covered List anywhere on its network.⁵
5. The Commission would, on an annual basis, determine eligible locations for the purpose of calculating eligible competitive carriers' high-cost support. The Commission proposes to establish a date certain, such as October 1st, as the date by which competitive carriers' eligibility and NUSF application

⁴ The Petition must include a list of locations served/to be served, as well as a map, and supporting map data in shapefile or other GIS-supported format, of the service area. A Petitioner must commit to providing service to all locations within the service area upon request.

⁵ See 47 C.F.R. § 1.50002; see also Neb. Rev. Stat. §§ 86-125(4)(c) and 86-324(2)(d).

- for support for the specific area/locations would be determined. Applicants who have not had applications approved by the Commission prior to that date-certain would not have their locations included in the high-cost distribution mechanism for the subsequent calendar year. Once an application is approved, the competitive carrier maintains eligibility as long as the Commission re-certifies the carrier for NUSF support for the relevant year.⁶
6. However, for the purposes of calculating 2026 calendar year support, due to the fact that the newly established framework does not provide for a lot of time, the Commission would propose to include location-based support calculations for all competitive carriers approved for NUSF support using the mechanism described above if their application has been approved by December 31st. Carriers would need to consider the potential time to have an application filed, noticed, and approved by the December 31st deadline and plan accordingly.
 7. Competitive carriers seeking support in an approved support area, may not be eligible to receive support based on other criteria tied to location eligibility, earnings test limitations, or other factors which cause a reduction in NUSF support.

B. Cost Model Updates

The Commission seeks comment on whether to keep using the SBCM model, use a carrier agnostic cost support area (“CASA”) model, or use a composite of both of the SBCM/CASA models for the purpose of determining relative costs for high-cost support distribution in 2026.⁷ The Commission seeks comment on whether to update the following inputs in the model: Plant Mix, Labor Rates, Optical Network Terminal (“ONT”), and Weighted Average Cost of Capital (“WACC”) as discussed in the technical conference on June 17, 2025. The Commission further seeks comment on how often it should update the cost model to include changes due to boundary changes, inflation, or other significant events. Should the Commission update the cost model on an annual basis or whether having updates performed every two or three years is sufficient.

⁶ The Commission plans to keep the annual re-certification date in place so that it is consistent with the timeline for annual federal universal service support certifications.

⁷ With a composite model, certain portions of the state would be predetermined to be modeled utilizing SBCM support areas (i.e. – exchange boundaries), and the remaining areas would be modeled based off of the CASA model.

Comment Deadline

Interested parties may file comments responsive to the issues/proposals described above on or before **July 1, 2025, at 5:00 p.m.**, Central Time. Commenting parties should electronically submit their comments to psc.nusf@nebraska.gov. Parties should also electronically serve a copy of their comments on those parties that have previously filed comments and/or testimony in Docket NUSF-139.

Workshop

A workshop in this matter will be set for **July 15, 2025, at 2:30 p.m.**, Central Time, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska 68508 and via WebEx. If auxiliary aids or reasonable accommodations are needed for attendance at the meeting, please call the Commission at (402) 471-3101. For people with hearing/speech impairments, please call the Nebraska Relay System at (800) 833-7352 (TDD) or (800) 833-0920 (Voice). Advance notice of at least seven days is needed when requesting an interpreter.

ORDER

IT IS THEREFORE ORDERED by the Hearing Officer interested parties may file comments on the issues and proposals outlined herein on or before **July 1, 2025**, in the manner prescribed above.

IT IS FURTHER ORDERED that a Workshop will be held on **July 15, 2025, at 2:30 p.m.**, Central Time, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska 68508 and via WebEx.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 20th day of June, 2025.

NEBRASKA PUBLIC SERVICE COMMISSION

By: 
Tim Schram
Hearing Officer